EXHIBIT 220
REDACTED

Message

From: Nitish Korula [[redacted]]
Sent: 10/8/2018 4:28:05 PM
To: [redacted]
CC: [redacted] Rahul Srinivasan [[redacted]; [redacted]
Subject: Re: ALI limits/ fee

[+[redacted] for comments on legal implications of pricing change to charge more for publishers who increase serving costs]

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Replying on this thread so people can see it all at once, but then I'll move points to [redacted] doc later:

I think [redacted] makes some really good points:

1. 100% agree that protecting the system by doing things like purging active LI that aren't really active is something we should do anyway, independently of anything else.

2. We should definitely explore more / tiered pricing for other advanced features. [redacted]

3. I think the 'anchoring' point is crucial, and I completely agree that what we see now is because of it. If we raised the ALI limit to 1[redacted] we would have many more than [redacted] premium publishers over the limit. They're not there now because we've at least somewhat held the line on the current limit. After all, why wouldn't a publisher create [redacted] LIs if we let them, in 1c price increments from $0.01 to $100? There would be no cost to them, they would just be imposing (some) cost on us.

4. On friction, I think [redacted] nailed it: "*The goal is not to stop header bidding. The way our system was set up makes it free for pubs to use* (and expand) *header bidding, but costs us serving resources*" (and reporting resources, and troubleshooting, etc.). Even if we can't eliminate it, why should we **subsidize** publishers doing something suboptimal, that's also bad for users in that it introduces more latency, etc.?

In particular, [redacted] made a great point here: If we give some publishers an exception for free, others will ask for it. Let's say we do it for the top K publishers - the fact that this option is available will certainly leak, and the ones in the next tier down will ask "Why not me? Why am I not important enough?"

I agree that we won't make much money from charging an extra serving fee, but we're not necessarily doing this for profitability. We want to give publishers a reason to actually think about whether this makes sense, and make a conscious tradeoff: If we don't, if a publisher makes even [redacted] more HB revenue, why wouldn't they do it? After all, they don't have any increased cost; they're passing the cost on to us, and we're subsidizing it.

Here are some numbers that I had asked Rahul for:
- [redacted]

Let's suppose we go to them with: Ok, you want to increase Line Items. That imposes a cost on our infrastructure, so we'll have to increase the current DFP serving fees. Since you're a valued partner, we can give you a [redacted]

(a) They would have to pay us [redacted] / year
(b) More importantly, they would have to think about the tradeoff. One does hit diminishing marginal returns from price granularity; I would imagine that it's unlikely they'll see a [redacted] increase in HB revenue. (Of course, I don't have any data on this, and if they do get a [redacted] increase, good for them; we're not trying to **force** them not to do this.) If they see a [redacted] increase, that would be [redacted] / year, and then it's slightly below a break-even proposition for them. But we give them the full information, and then they can decide whether they want to do it or not. That's a much better world for us than one in which we subsidize them doing something that honestly may not give them that much revenue, but does impose some cost on us, and which they wouldn't even view as a tradeoff.

In terms of the partner relationship, our current response is 'No', so changing our response to 'Yes, but here's how much it will cost" is surely an improvement? It's obviously not their preferred outcome (which I imagine is that we give them what they want for free), but we have no obligation to provide them a free service at a loss to us, and I expect that they'll understand that it is some increase in costs for us.

It also gives us an easy response to other publishers: Yes, we've allowed publishers to go above the limit, but there is an additional fee for that, and you have to decide if you want it. Later on, we can also standardize on pricing, but that decision can be deferred for now.
Finally, it allows us to enforce the *existing* limits on the handful of publishers who have gone above in a way that better preserves the relationship. Not "You must stop doing this" but "Hey, you are over the limit. Because you are a valued partner, we're not going to cut you off, but there will be an extra charge for this."

(On pricing: I'm not married to [redacted], btw; it could be [redacted])

Thoughts?

Nitish

On Mon, Oct 8, 2018 at 10:54 AM, [redacted] wrote:
I took the liberty of moving this nice discussion to [redacted] so others (including me) can comment on specific points more easily.

On Mon, Oct 8, 2018 at 7:41 AM [redacted] wrote:
If at the end of our analysis we determine the friction we introduce with pubs is greater than potential revenue gain, however it is we make that call, fine. Let's not tie serving fees to ALI numbers.

Comments on each of the 3 reasons we are looking at ALI based pricing:

Protecting out system

We could do this w/o changing any pricing. Enforce ALI, rethink ALI, and purge inactive ALI (and assets, creatives, and IU) from our system and we will have far less data to process. This is work we should do anyway.

BTW -- there's one other important restriction that has to be discussed -- limiting the number of LI that can be returned from PSI for one ad query. This has a far larger impact on serving resource costs than ALI.

Header Bidding Friction

The goal is not to stop header bidding. It is to introduce friction (or costs) that make our programmatic offerings more compelling. The way our system was setup makes it free for pubs to use header bidding, but costs us serving resources (esp for SB and Premium pubs with lower negotiated rates). This friction is an important part of ensuring that the monetization tools a pub has available are not subsidized by us, to our detriment.

Revenue

I am a little concerned, however, that there's an implied anchor bias to the current [redacted] limit. That limit is arbitrary and we should remove it from the discussion. The "[redacted] premium pubs over the limit" would be [redacted] if we set the limit at [redacted] We aren't going to do that, but we could introduce an additional pricing that kicks in across the board at a lower ALI. This discussion should be coupled with an evaluation of removing SB serving fee exemption, and re-evaluating any lower negotiated rates for Premium.

Also - maybe we can expand this discussion to not be just about ALI-based tiering. Maybe there is other functionality -- advanced reporting capabilities, Nera functionality, advanced forecasting and pacing, etc -- that we should consider making available with more advanced "packages" (with tiered pricing).

On Fri, Oct 5, 2018 at 8:00 PM Rahul Srinivasan <[redacted]> wrote:
[redacted] thanks a lot for the analyses and thoughtful inputs. [redacted]

I agree with you - it won't make us significantly more net revenue, it's will probably not act as a sufficient disincentive for HB, there are other ways in which we can reduce the tax on our system, and its likely only going to anger large strategic pubs. We should place stricter ALI limits on SB of say [redacted] (which we can include in our SB product rethink that +[redacted] is leading) and aggressively pause inactive LIs (similar to legacy DFP) next year, like you suggested.

Does anyone disagree?

On Fri, Oct 5, 2018 at 12:31 PM [redacted] wrote:
Hi all,
Have been thinking about this some more. Seems we are discussing/trying to accomplish three things.

- Protect our system
- Move away from header bidding towards exchange bidding.
- Incremental revenue

A couple thoughts on each

Protect our system

Resources are valuable and the amount of data we have keeps growing. I think this falls squarely on us to fix. Between pausing line items with no impressions in the last 6 months, and enforcing the active line item limit, we would recoup [redacted]

If we were to go a step further and reason that SB pub should not have the same [redacted] Active line item limits we would be able to drastically recoup resources. [redacted]

If we kept the limit at [redacted], upon enforcement + auto inactivation we'd reclaim [redacted] at [redacted] we'd see that go to [redacted] reduction

Move away from header bidding towards exchange bidding.
I still am not sure a cost would successfully do this in itself. There are only [redacted] premium pubs over the current limit, only [redacted] of which actually have exceptions. If we paused inactive we now only have [redacted] pubs. Would charging only [redacted] pubs motivate any changes on a large scale?

If we moved SB to a lower limit, then we could potentially motivate that segment to use EB, but my understanding is that's not something we had planned to give SB?

But even so [redacted] is more than enough line items for a HB setup, so I don't think ALI limits will be a motivator to move pubs off. Seems a smaller number of pubs want to go to the extreme. I think pushing back is the right call, and a few exceptions within reason.

Incremental revenue
I think to Jonathan's point we'd only be charging a very few pubs extra. Is that worth it vs getting them setup properly/exceptions? Would the revenue be worth how we are perceived by them and the new expectations on supporting it as a feature?

My 2 cents on all of this. I'm not sure a charge is going to accomplish out goals. To protect the system, we have a bunch of viable options that I think will make a much larger dent in our resource usage/revenue(Assuming more SB move to premium). The SB conversation is one that is ongoing and will be large comms effort, but a tighter limit would go really far.

Hope this was useful.
Thanks,
[redacted]

On Thu, Oct 4, 2018 at 2:55 PM [redacted] wrote:
Np. [redacted]

[redacted]